

BREXIT

Problems Pain and Potential



This booklet is a series of articles I have written on the subject of Brexit and its ramifications.

There has been so much media coverage with so many differences of opinions however it is my intention to try and bring a balance to this most controversial subject.

My short articles have been written with the intention of keeping the reader's attention to ensure all aspects of the pain the problems and the potential are understood.

At the outset I make no apologies for stating clearly that my insights are clearly biased from a UK and Irish perspective and what I passionately believe has to be a positive response from both countries on the opportunities that have and will arise in the coming years.

I trust you will find this booklet of help to you as an individual a small business or corporation and if you require my services do not hesitate to contact me.

Terry Quinn
Brexit Business Consultant



Providing INFORMATION not SPECULATION

Britain's historic vote to leave the European Union has brought global challenges speculation, and opinions that has left many bewildered at what actually will be the ramifications.

The purpose of this article is to focus on "The Opportunities " for many of Britain's European Neighbours but none more so than Ireland. Having been involved in the Finance and Consultancy Sector for over twenty five years I have observed and studied in great detail what the Politicians,Economists, Analysts , Media and Corporations have been reporting.

I'm a proud Scot with rich Irish heritage from both my parents genealogy . I have lived in Ireland for the last five years and I can say with passion I really love this country and it's people. As the fastest growing economy in Europe Ireland has shown the world that despite being one of the worst affected countries by the crash of 2008 she has recovered strongly.

In 2015 Ireland was ranked ninth most "Economically free " economy in an index created by free market economists from the Wall Street Journal . I must however point out that many of Irelands Woes were self inflicted as the huge property bubble was allowed to escalate out of control. However many of the lessons and controversies are history With its Europe focused export sector growing and foreign companies continuing to expand their Irish operations Ireland has been the perfect base for globalising American technology firms. These companies are not in Ireland for the small domestic market they are here for the 500 million person market of Europe. Brexit - Ireland's opportunity.

Daily reports are stating that dozens of UK ,US International banks and Financial Firms are looking to move their locations . However many are adopting "A Wait And See " approach and it has been reported that they aren't in a " Decision-Making Mode Yet " . I believe that the Irish Government and Financial institutions need to adopt an ASSERTIVE STRATEGY not just listing the Advantages of Ireland as a destination for Foreign direct investment from Multi Nationals but having a stronger voice than others through various roadshows and multi marketing operations.

Opinions come and go but activity and resources must be intentional to win the argument. Ireland is a flexible, competitive and highly skilled economy and becoming one of the most attractive countries in the EU to do business. However we face stiff competition from France Germany and Luxembourg who have been very Focused in their intention to convince these companies to locate to them. Despite this I believe Dublin has the edge and could potentially be one the largest bases for Financial institutions in Europe but there is a lot of work and planning to be done to ensure this becomes a reality.



Brexit Article 2 Fact or Fiction

If you were to Google Brexit before the referendum you would avail yourself of numerous articles opinions and commentaries on what way the British electorate would vote. From the Leave Campaign to the remain campaign - politicians in the EU and across the world including president elect Donald Trump all had their say.

The Media and the propaganda leading up to the vote was so divisive and mis leading with such opposing views and scenarios being articulated that the electorate opted for what I believe was an EMOTIVE response based on "Immigration and Sovereignty". The consequences of invoking article 50 of the Lisbon Treaty and leaving Europe were never taken seriously with the assumption being that there was no need as the UK would vote to remain.

The Remain Campaign was not ASSERTIVE enough and not INTENTIONAL enough in their communication of the FACTS . Now Post Brexit it seems the same is happening again - SPECULATION and very little INFORMATION. The vote has been cast and the U.K. will exit the EU . Now so many "opportunities " have arisen for the Major players in the EU to embrace and offer the solutions.

Many Financial institutions that made statements about relocation are now procrastinating and believing the FICTION instead of the FACTS. Ireland can't rest in its laurels awaiting what could be as long as five years to reach agreements between the U.K. and EU. We have to make our presence known in the Uk and communicate strongly that we are the best choice to multi Nationals for certainty of access to the single market. We can be rest assured our friends from Paris Frankfurt , Madrid and Luxembourg are making their plans and are already presenting to CEO's in the Finance Sector.



Brexit Article 3 "A Smooth or Rough Ride"

As much as Theresa May and her Cabinet insist that they are confident of a smooth process for Britain when exiting the EU her counterparts are of a different opinion. I have been researching the various EU leaders comments and I believe the UK could be in for a surprise after article 50 has been triggered.

Britain will be "weaker" after Brexit, the European Commission President has said, insisting the European Union is "beautiful" to many people across the world. Jean-Claude Juncker also criticised Theresa May's bid to be a "bridge to Donald Trump", saying: "To put it brutally, we don't need the United Kingdom Government to organise our relations with the US.

Germans want Merkel to take tough line with UK over Brexit, poll finds According to survey, 58% of public think Berlin should not be open to compromise with Britain over its EU departure. Angela Merkel has reportedly rebuffed efforts by Theresa May to secure an early deal on reciprocal residency rights for UK and EU citizens.

Luxembourg PM tells Britain: either you're in the EU or you're not. Luxembourg's prime minister, Xavier Bettel, says: 'There is no in-between. French senate report says UK must not be better off after Brexit Cross-party inquiry also rules out privileged EU access for some UK sectors and says 200,000 jobs are at stake in the City. The eight-month inquiry was chaired by former prime minister Jean-Pierre Raffarin

The scale of Britain's task in negotiating a successful Brexit has been underlined by a cross-party report from the French senate vowing that the UK must not be allowed to leave the EU in a better-off position than it is now, and if necessary a withdrawal without an agreement has to be considered. UK and EU heading for economic cold war, says Italian minister Mario Giro says coming 'battle of interests' could have terrible consequences for western world.

Mario Giro, Italy's deputy foreign minister, said that while many countries in the EU had said the UK's vote to leave the EU represented a loss to the union, there were more hardliners in the EU against the UK than it appeared. Incoming EU president Malta signals tough Brexit talks with UK European Commission President Jean-Claude Juncker poses with Malta's Prime Minister Joseph Muscat. Britain cannot expect a better relationship with the European Union than it currently has once it leaves the bloc, incoming EU president Malta said on Friday, signaling a tough stance in looming Brexit negotiations.

Taoiseach Enda Kenny has warned that the Brexit negotiations will be "very tough", and said that the issue was "too serious" for it to be dealt with by one dedicated minister. EU President Rules Out Second Term to be Tough on Britain The President of the European Commission will not stand for a second term so he can drive a hard Brexit deal and not be beholden to elected MEPs' approval, sources claim.

This will not be an easy ride for the UK and reports from the city is very worrying as the tension grows.



Brexit article 4 The Irish Divide

Living in the border town of Dundalk I witnessed first hand how serious the people of the North and South are taking the "Brexit" scenario and the problems this could cause. Despite reassurances from both Irish and U.K Governments that common travel will continue the people are well aware that this can count for nothing and the reality could be the opposite.

A mock customs post is set up at Ravensdale, on the Louth-Armagh border, as anti-Brexit campaigners hold a go-slow protest on the main road between Northern Ireland and the Republic of Ireland to highlight concerns about the impact on trade.

A convoy of protesters staged a noisy motorway go-slow near Dundalk, on Saturday, using lorries and tractors to highlight the impact of customs checks on the local economy.

During the troubles there were only 20 crossings, but there are now thought to be as many as 250 after the peace settlement brought the reopening of huge numbers of roads. Since the end of the conflict traffic has passed largely unimpeded between the neighbours on what would be the UK's only land border with Europe.

Mock border officers from the UK and Ireland wearing traditional greatcoats waved down traffic in front of a stage customs hut. Horns blared, truck drivers in the queue pretended to pull their hair out and waved pieces of paper supposed to be travel documents.

Lines of people with placards had gathered. Vintage signs proclaimed "Stop: Customs". The border in the island of Ireland has long been recognised a major threat to the Brexit negotiations with the potential to revive the tensions of the past.

The volume of trade between Ireland and the UK, estimated at over €1 billion in goods and services being exchanged between both countries on a weekly basis, means that Ireland will wish to keep trade with the UK as open as possible.

Brexit Article 5 Brexit Competition.

As a Brexit Consultant living in Ireland and passionate about the opportunities we have to convince the Major Banks and financial institutions to choose Dublin I have had a look at the main competitors and their attempts to make their bid for this business.

A number of banks are looking at relocation as the UK continues to drive ahead with its plans for Brexit. It comes exactly a year before the EU enforces a raft of new financial guidelines on banks operating within its jurisdiction. All financial organisations will have to be compliant in the Markets in Financial Instruments Directive (MiFID II) by January 2018. Kenny and Lane lead bid to lure banks after Brexit

The Irish Government rolled out its biggest guns at an event at Dublin Castle to drive home the message that Ireland is open for banks and insurers exiting the UK as a result of Brexit. Figures released show pessimism among Britain's financial services firms has increased for a fourth consecutive quarter, the longest spell of unbroken gloom since the financial crisis.

France's Brexit bid to move banks from London to Paris BACKFIRES over language barrier. Mr Sapin used a translator during lunch and it was deemed as 'negative' by bankers. FRENCH finance minister Michel Sapin failed in his bid to attract Wall Street banks to relocate to Paris from London, it has been claimed.

Mr Sapin has been trying to bolster France's prominence in the world's financial markets ahead of Britain's exit from the EU. However, during a trip to the US to discuss the potential of relocation last October he was forced to use a translator which did not play out well for his intentions. According to reports, the US bankers are said to have been left concerned about Mr Sapin's lack of understanding of the English language.

Luxembourg making a bid to attract Banks After the British vote to leave the European Union, several financial centers are competing to supplant London as the financial capital of Europe. The principality of Luxembourg has thrown its hat into the ring with an expensively-produced video. «Make your career in Luxembourg's financial industry,» is the message being pushed by the agency which promotes the country as a financial location, Luxembourg for Finance.

Germany launches BRAZEN bid to lure banks out of London amid Brexit. Germany is hoping jobs move from London to Frankfurt amid Brexit. GERMANY is shamelessly trying to persuade global banks to move jobs from London to Frankfurt, as Britain gears up to leave the European Union (EU).

I have been advocating ROADSHOWS and WORKSHOPS will help secure business for Ireland but Germany are already out there. A special conference to entice financial heavyweights out of the UK has been laid on by Germany's Bafin financial regulator. During the invite-only event, the watchdog is telling around 50 representatives from 20 banks how they can shift operations to Frankfurt following Brexit.

Goldman Sachs, Morgan Stanley and Citigroup are among the top US firms that are thought to have been invited and attended the work-shop. The European Central Bank and Germany's central bank Bundesbank were also reportedly at the event. Germany is keen to secure new jobs amid reports some firms are looking at moving some roles to the continent. However, Goldman Sachs recently played down reports that it is moving staff.

My message to Ireland is to beat our EU competitors to the table and be comprehensive in our proposals as well as aggressive in our strategic marketing.

Brexit Article 6

The Potential of Brexit for Ireland

Despite the UK's intention to cut their corporate tax rate to 15%, it should be possible to secure a greater share of foreign direct investment as Ireland is about to become the only native English-speaking country in the EU.

Financial Services headquarter operations may currently be moved from the UK to another jurisdiction within the EU by which they "passport" their financial services and Ireland provides a similar economic and cultural landscape to the UK. But Ireland needs to market itself as the obvious jurisdiction for new business and any re-location.

Ireland needs to develop her trade with the UK as new trading terms will require to be negotiated and with the strength of being a member of the EU Ireland will be in a powerful position.

UK companies may look to extend existing operations beyond the UK to maintain an EU presence. The similarities in how both countries do business allows Ireland to provide the best location for this.

The UK may look to other jurisdictions such as North America for closer ties and this is an economic relationship that Ireland is uniquely positioned to contribute to, and benefit from on a potential tri-lateral basis as she has strong relationships with both the USA and the UK.

Ireland will also need to take the opportunity to improve infrastructure with office space, schooling, transport and housing as top of the agenda.

The Irish Government's existing International Financial Services strategy clearly outlines that Ireland has the ability to attract financial services companies from London as a result of Brexit.

However as I highlighted in an earlier article many in City of London need to be convinced and therefore a clear sign that more intentional focus on activity needs to be put in place.



Brexit Article 7

Why Choose Ireland for location

Ireland already has multinational corporations based on her shores.

Google -Microsoft- Intel Facebook -Twitter. Paypal -EBay and Apple

Ireland has the Fastest growing economy in Europe.

Ireland has the youngest population in Europe and the lowest old age dependency.

Irish education is ranked top 10 in the world the labour costs are the lowest in Europe the cost of living -tax - and properties are much lower than London

Even before Brexit corporations and businesses were already looking at Ireland to locate as an alternative to London.

Ireland's corporation tax is low and is often cited as an example of tax competition as it is used as an incentive for foreign companies to invest in the state. There are two rates of corporation tax in the Republic of Ireland:

12.5% for trading income

25% for non-trading income

However, Ireland also offers significant tax advantages to companies investing in research and development Ireland is the U.K.'s closest neighbour and only English speaking in the Eurozone.

Ireland is a cheaper city to live in than London ,cheaper office blocks and housing accommodation.

it's easy to commute to London as Dublin is now becoming an international finance centre.
with 1.2 billion Euro in trade crossing the Irish Sea every week

However Customs with the Brexit situation could halt the flow of business up to 20% which could be around €200 million per week so this must be a priority to be resolved. Over and above this there could be tariffs on goods and also the energy she shares with the North could increase.

There are 341,000 Irish citizens living in the UK. There are 115,000 UK citizens living in Ireland. 40,000 workers commute every day between both countries.

Ireland is 11th out of 82 countries as most attractive places for business locations in the world.

Ireland has a strong legal framework and is a strategic location with easy access to Europe the middle east and Africa.

Ireland has advanced telecommunications in Dublin. There are more major languages spoken in Dublin than in any major city in the world.

It has been described as our "virtual"UN by the Google CEO "Google has 65 languages spoken by employees from 65 countries

Amazing People

Lastly as a Scot living in the emerald isle I can say they are the friendliest people on the earth

The truth is that you will love working with them and before long you will become one of them enjoying the Craic.

Brexit Article 8

Brexit Passporting rights how crucial will these be ?

The European Union really is a Single Market. If you are legal to undertake some activity in one EU country then you're legal in all that's what passporting rights are. Post-Brexit financial firms in Britain (dependent upon how the negotiations works out) will not have those passporting rights. Since selling financial services is one of Britain's major exports there will be major problems . Which leads to the question what will UK companies do about it?

Theresa May has been warned of an exodus of major financial firms from London if she cannot guarantee "passporting rights" as part of the EU negotiations. Banks and more than 100 UK companies are inquiring about relocating to Ireland after Britain's historic vote to leave the European Union (EU) one media report stated..

It has been claimed that following the Brexit dozens of UK's authorised financial firms have been sending applications to relocate from London to Dublin. The deputy governor of the Central Bank of Ireland has confirmed that several UK banks have started the application process "We're seeing applications throughout the whole spectrum.

We have applications for new business, the licensing of firms who are not present here but we also see very significant indications from regulated firms that are small today but want to be big tomorrow" Cyril Roux said."We see the whole gamut of firms inquiring for establishing or growing in Ireland, it is MIFID (markets in financial instruments directive) firms, insurance companies, CSDs (central securities depositories), payments institutions." he added Cyril Roux isn't the only official to suggest this post-Brexit move. Martin Shanahan, the chief executive of the IDA has said that there are many London-based corporations looking to move.

However Some UK commentators and Financial Analysts are saying its rather that some firms are exploring the opportunity to get around certain European Union laws, rather than entirely relocate .One thing would be to move the entire business to another EU country. But that would mean losing a certain amount of access to what London really is, the world's largest wholesale and international financial markets. It would also be difficult to find somewhere else in Europe to move the whole system to of a similar size.

So, what is actually being done is companies are looking at whether they can open just a small office in, say, Dublin, gain those passporting rights through such an office and leave 99% of the business in London. What we're really looking at here is an office for regulatory arbitrage, not an actual movement of a bank or entire business is the general opinion of some financiers in London . However that would be expected from these institutions and spokesmen who never seen Brexit in the horizon with most of them dismissing the scenario outright and now expect to be taken seriously in their assessment of how devastating passporting rights will be to the UK economy and in particular the Financial Services industry. Dublin's appeal partly comes from its low 12.5 percent corporation tax.

Martin Shanahan from the IDA countered this argument by saying "We have seen a huge increase in the amount of inquiries and activities across the globe. It's not just our office in London, or our office in Dublin; we are receiving inquiries in Asia, in the US, in New York in particular. The figure that we have used to date is over 100 related inquiries.". For the financial services sector, it is the fact that they need to have access to the European market and they need a jurisdiction in which they can do that. Ireland is extremely attractive because its English speaking, have a common law system and there is the close proximity to the UK..

Whilst Ireland did not favour the Brexit vote, it hopes to benefit from the global uncertainty. Shanahan went on to state "In the context of a very turbulent world Ireland looks very stable economically because of the strong growth in 2014, 2015, and it looks the same in 2016. And we look very stable from an enterprise and policy perspective as well. "Investors place great store in the fact that Ireland has been unwavering and consistent. They know exactly what they are getting, the fact that it is 12.5%. I do not see any circumstances, and this has been confirmed by the minister for finance, Michael Noonan, that it will change any time in the near future, or even the long-term future for that matter, ". Listening to the commentators in the UK and Ireland reminds me of a famous scripture written by King Solomon in Proverbs 18v 17 – "The First to present his case seems right till another comes along and questions him" – mixed messaged indeed.

Brexit Article 9

Brexit - Adapt -Adopt Apply.

Despite some major stumbling block's highlighted in the Brexit preliminary opinions and comments there are still areas that concern me that need to be addressed.

Journalists from all over the world have been arguing over the fate of the UK ,the EU and the world and more specifically its affects on Ireland.

ADAPT.

UK companies are looking to relocate but they have many cities to choose from like Paris Frankfurt Luxenberg Madrid and of course Dublin. This competition must be taken seriously and therefore questions need to be asked in how Ireland is ready to "Adapt" to the main concerns london based Companies may have with respect to - Infrastructure-housing - office space and personal tax rates .

The competitor cities have both the housing capacity and rates that appeal to businesses.

However according to an " Irish Times " report three quarters of U.K. Based companies have expressed interest in Dublin as a gateway to the EU , and 60% have begun planning .

The favourable corporate tax rate is certainly an incentive as well as cultural similarities of an English speaking workforce .

But there is still a lot of work to be done to create office Space and living space inside and outside the city of Dublin.

ADOPT

I'm pleased that the Irish Government have adopted a policy of preparation and planning that will have a budget of €27 billion to be spent over the next six years. This will include Major enterprise developments and housing expansion,extremely advanced transportation ,primary and secondary education buildings.

Attracting companies to Dublin will continue to drive down the unemployment rate which has happened over the last four years since the foreign direct investment started to take place. A growing Irish economy will stimulate greater investment and provide people with a higher standard of living. Ireland has to stay focused and this message of progressive expansion needs to be shouted from the rooftops.

APPLY

US companies have provided Direct investment to Irish bases.

US companies based in Ireland now employ 130,000 people and if Ireland applies the focus required in her preparations of the Brexit aftermath then the UK will fall in the same path as my migration begins.

Over these next few years if Ireland's progressive strategic plans are achieved then she will be more than ready to house incoming companies and compete head on with Frankfurt Luxembourg,Paris and Madrid which will bring economic growth to the whole of Ireland.

Finally another great advantage of Ireland is that it is the closest point of Europe to the USA and Canada and only a 1 hour flight from mainland Europe .



Brexit Article 10

The E-XPats Question

British Prime Minister Theresa May wanted to reach an "early agreement" with the German Chancellor to protect the rights of 1.2 million ex-pats living across the continent. In return, she promised to ensure that the 3.2 million EU migrants living in the UK could remain and continue to work in Britain. But Merkel humiliated Mrs May and insisted there would be no negotiations on any aspect of Brexit - including ensuring a safe haven for Brits abroad - until Mrs May triggers Article 50.

Many EX-Pats feel betrayed after Brexit and are very worried and concerned of what the future will bring. British citizens who have chosen to work or spend their retirement years elsewhere in Europe fear their pensions, healthcare and right to remain will disappear post-Brexit.

There are approximately 1.2 million British living in EU Countries. Rights to property and to own a business are protected under international law, but automatic reciprocal rights to pensions, education grants and healthcare are not. Under EU law The Value of the state pension is guaranteed but not post-Brexit and the estimated 450,000 retirees drawing a British state pension from elsewhere in the EU have already seen a drop in their income because of the collapse of sterling with fears that it could fall further when article 50 is triggered.

British nationals living in Spain and other European countries have urged UK Prime Minister Theresa May to make a speedy and "magnanimous gesture" to help secure their futures. A group of British nationals which campaigns for the rights of British people in Spain, told a parliamentary select committee in Westminster that the UK should make the first move when it comes to the increasingly thorny issue of the rights of EU citizens in Britain and those of Brits living around Europe. In her landmark Brexit speech British Prime Minister Theresa May admitted she was reluctant to guarantee the rights of Spanish, French and other EU nationals living in the UK, until she was given similar guarantees about Brits living in Spain and France. In other words the five million people affected - are being used as a pawn in negotiations, that will only begin once the British government triggers the famous Article 50.

Under EU law, the pension, is effectively index-linked and unless a replacement guarantee is in place when Britain quits the EU, this could be frozen. Healthcare will also be a problem as under EU law, UK pensioners are entitled to receive healthcare as though they were nationals of that state. Without that health support, it may well be the case that great numbers of citizens aged over 65, would need to return to the UK. Many could not afford to make that return and would become isolated, poor, and even destitute. The big concern is for people wondering whether they will have free healthcare in the future. It is very expensive to buy private healthcare in Spain, particularly for the elderly or those who have a pre-existing condition. That could make the difference to whether people are able to stay in Spain or have to return to England. It's worth noting that many people have moved to Spain particularly for their health because they suffer from rheumatism or arthritis so do better in a warmer climate...so beyond any financial considerations... returning to the UK could have an impact on their life expectancy. There would be a significant impact on the UK if tens of thousands of British pensioners living throughout the EU were forced to return "homeless, without health cover and with diminishing pensions to date there are 108,000 of the 300,000 Britons in Spain pensioners. . The Spanish government faces an economic dilemma as it continues to need investment from British tourism but is unable to negotiate an independent trade deal because the money from tourism is absolutely essential for the Spanish Economy.

Up to 20 groups have now sprung up across Europe to campaign for those rights to be protected. Some individuals have considered changing nationality but that too could have unforeseen consequences. Countries such as Spain do not recognise dual nationality so if any of the 300,000 British people registered in the country opt to swap their passports will they deny themselves the future right to return to Britain? Britons in Ireland are also affected, despite earlier assumptions that they would be protected under joint Anglo-Irish laws giving nationals from both countries more rights than EU citizens in each other's countries, including the right to vote in general elections. Britain could guarantee the rights of Irish people settled in the UK however Ireland will not have the power to reciprocate without the agreement of other EU members.

If you need more information The UK Foreign Office has launched a new website for those anxious Brits expats who live in Europe and fear the consequences of Brexit. I would recommend the website below

<https://www.gov.uk/guidance/advice-for-british-nationals-travelling-and-living-in-europe>

Brexit Article 11

Brexit What will the outcome be Hard or Soft ?

It is too early to tell what life outside the EU will look like for the UK.

Currently the debate is between whether the UK will opt for a "Hard" or "Soft" Brexit.

A "Hard Brexit" would involve severing most ties with the organisation, abolishing the freedom of movement and not being part of the single market. This arrangement would prioritise giving Britain full control over its borders, making new trade deals and applying laws within its own territory. A hard Brexit, however, could see British goods and services subject to tariffs, adding 10 per cent, for example, to the cost of exported cars. While sectors such as agriculture could lose protections against cheap imports from abroad. Experts warn that London's position as a financial hub will be dealt a severe blow if the UK left the single market. However, that access is contingent on countries agreeing to let European Union citizens live and work anywhere in the bloc as I have already covered in previous articles

Leaving the customs union would mean a significant increase in bureaucratic checks on goods passing through ports and airports. Initially, this would mean that the UK would likely fall back on World Trade Organisation (WTO) rules for trade with its former EU partners.

Given that the UK is the first country to ever leave the EU it is impossible to be clear on whether or not the organisation will come down hard on Britain or be quite accommodating to their requests. It is becoming clear that there will probably be three steps to be negotiated: the terms of exit, which is what article 50 provides for; a transitional agreement, since nothing as complex as an entire new relationship with the EU has ever been negotiated within two years; and then the final deal. In giving the mandate for what is probably a three-step negotiation, parliament could insist that the options of full access to the single market and, alternatively, being in a customs union, are comprehensively explored with our European partners.

In her opening speech to the Conservative conference, the Prime Minister unveiled a tougher stance on EU withdrawal than she has previously taken, by seemingly backing a hard Brexit with controls on immigration at its core. There are a myriad of possible post-EU arrangements being discussed and, although there are no definitive definitions, they can be loosely categorised as "hard" or "soft" Brexit options. On becoming prime minister, May satisfied many Tory leave campaigners with a pledge that "Brexit means Brexit", but she has not set out what this means, beyond a pledge to move away from the current system of free movement of EU citizens.

The Prime Minister unveiled a tougher stance on EU withdrawal than she has previously taken, by seemingly backing a hard Brexit with controls on immigration at its core "Let me be clear, said Mrs May "We are not leaving the European Union only to give up control of immigration again, and we are not leaving only to return to the jurisdiction of the European Court of Justice," adding those wanting to do everything possible to preserve access to the single market were looking at Brexit the "wrong way".

A "Soft Brexit" would make for a very similar arrangement to the one they have at the moment. This approach would leave the UK's relationship with the EU as close as possible to the existing arrangements, and is preferred by many Remainers. This approach would leave the UK's relationship with the EU as close as possible to the existing arrangements, and is preferred by many Remainers.

The UK would no longer be a member of the EU and would not have a seat on the European Council. It would lose its MEPs and its European Commissioner. But, it would keep unfettered access to the European single market. Goods and services would be traded with the remaining EU states on a tariff-free basis and financial firms would keep their "passporting" rights to sell services and operate branches in the EU. Britain would remain within the EU's customs union, meaning that exports would not be subject to border checks. However former Bank of England Governor Mervyn King has slammed the idea of a "soft Brexit" And he rejected plans to try keep as much of Europe as possible when Britain leave, saying we must not "pretend we should remain in the single market;".

He added: "I think there are real question marks about whether it makes sense to remain in the customs union." He warned: "Clearly if we do that we cannot make our own trade deals with other countries."

The top economist warned that German voters will be asked at their elections next year if they wish to carry on propping up less competitive Eurozone economies like Italy, Portugal and France.

It is interesting that by the end of 12 months we will have had an Austrian presidential election, a referendum in Italy, a Dutch parliamentary election, a French presidential election and a German general election. All of these, and especially the French and German ones, will affect the position taken by European partners when push comes to shove at the negotiating table in 2018. It's worth remembering Barack Obama's quote after his meetings with Theresa May, he expressed true astonishment to his aides over Brexit. "They've got no plan," he said. "They've just got no plan." In the prime minister's first six months, this private assessment hardened into something close to a general orthodoxy: namely that May and her colleagues had no clear strategy for Britain's departure from the European Union. Will the ex-president be proven wrong? Only time will tell.



Brexit Article 12

The threat to the city of London

Losing so-called passporting rights could result in a reduction of more than 25 per cent in the U.K.'s total financial services trade, the London School of Economics said in its Growth Commission Report.

"Brexit poses a threat to the pre-eminence of the City of London," the group said, referring to the capital's financial district. "The major threat for financial services trade is the loss of passporting rights."

The pressure is mounting

as International banks have begun looking to move jobs out of the U.K. after Prime Minister Theresa May said she plans to pull Britain out of the single market. Global banks in London may have to transfer 1.8 trillion euros (\$1.9 trillion) of assets to the continent after Brexit is completed, putting as many as 30,000 U.K. jobs at risk, according to Brussels-based research group Bruegel.

I expect a lot of statements to be issued before beginning of March as it looks like Theresa May will be triggering article 50 around the 9th March. Dublin and Frankfurt are among a number of European cities pitching for business from U.K.-based banks, drugmakers and asset managers after the referendum. Germany's financial regulator has offered to allow most banks that move operations there to keep current models for setting capital requirements for as long as two years, it was this month.

Paris is pitching itself as the only global financial center left in the EU after Brexit, but Dublin is stressing that its laws and regulations are similar to Britain, with Madrid emphasising its lower costs for office space and labor.

Morgan Stanley is scouting for office space in Frankfurt and Dublin for an enlarged European Union hub following the U.K.'s vote to leave the political bloc, according to three people with knowledge the matter.

The bank may initially move about 300 workers to one of the cities, the people said without giving a time frame. They asked not to be identified because the plans aren't public.

"Our focus is on ensuring that we can continue to service our clients whatever the Brexit outcome," Hugh Fraser, a spokesman for Morgan Stanley, said by e-mail. "Our strong franchise and material presence in Europe gives us many options, and we will adapt as the details of Brexit become clear. Given all of this, no decisions have yet been made."

I expect the next 6 months to be very crucial for Ireland as many of the other cities try and entice London financial services companies to make the move. The IDA in Ireland have started their campaign -RIGHT PLACE RIGHT TIME with approx 700,00 euro invested in a video shown on CNBC USA and UK.

Brexit Article 13

Fly Drive –Empty shells-letterbox companies

In my article no 8 I mentioned that some UK commentators were suggesting loopholes and ways round the Brexit Passporting rights and I was concerned that this kind of attitude would not be accepted by EU member countries. My Conviction has been proven correct when One of Germany's most senior central bankers has warned UK-based banks not to come up with schemes to get around regulations as they seek ways of preserving their access to the EU market after Brexit.

Speaking at a conference in London, Andreas Dombret, a Bundesbank executive board member, predicted London-based lenders would be deciding in the first half of this year whether to relocate some activities. Mr Dombret, who was born in the US to German parents, is a former banker who held positions at Deutsche Bank, JPMorgan, Rothschild and the Bank of America before joining the Bundesbank in 2010.

He warned financial institutions that they must set up genuine operations as opposed to "empty shells" in EU countries. Mr Dombret added that the Bundesbank would be tough on enforcement for any lender that chose to relocate some or all of its operations to Germany

Mr Dombret said: "We will not accept any empty shells or 'letterbox companies' where the business effectively continues to be done out of London."

"I urge banks not to spend their time inventing strategies to circumvent these requirements. This includes seemingly creative solutions such as 'fly and drive' banking, where bankers fly in daily from London, or 'dual hatting', where transactions are booked on the EU subsidiary but in fact executed in London." Mr Dombret said banks' chances to retain this access without moving some operations from London are "dim" and that lenders should not put great hope into an "equivalence" deal for the UK. Britain's position "as a gateway to Europe is likely to end", he said.

Financial firms are the biggest tax contributor of any sector to Government coffers.

Mr Dombret's remarks follow warnings from UBS and HSBC saying they could each move 1000 jobs out of London after Brexit. Andrea Orcel, the president of UBS's investment bank, has said that the Swiss bank will "definitively move" some of its staff from London to a country within the European Union.

UBS, is one of the world's largest managers He said: "It will very much depend on the agreement the UK will reach with the EU, but yes we will have to move bankers."

"We have flexibility to decide where to go but we will definitely have to move."

He explained that if the UK and the EU did not reach any sort of transition deal on Brexit, then some of his staff in London would have to move as soon as the UK government invoked Article 50

HSBC's chief executive, Stuart Gulliver also said he was preparing move 1000 staff from London to Paris

The comments from two of the largest investment banks in the City of London underscore the extent of Brexit-related uncertainty gripping the UK's financial industry.

For months, there has been widespread speculation that thousands of financial jobs currently based in London could be migrated to cities like Dublin, Paris or Frankfurt, so that the banks affected can continue to offer their services to EU clients.



Brexit's impact on financial services will affect more than just London.

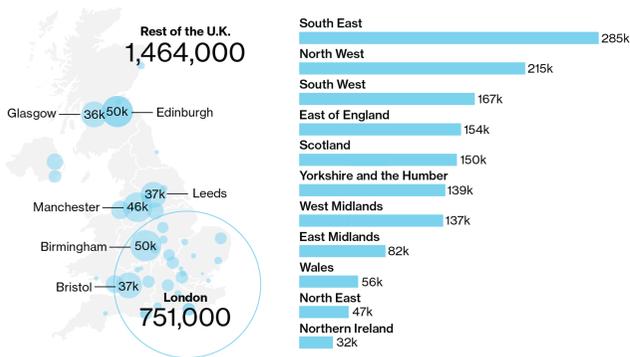
Some 2.2 million people work in finance and two-thirds of them are outside the city of London. So What does it all mean for Brexit?

For one thing it demonstrates the importance of finance to the British economy. TheCityUK estimated financial and related professional services contributed £176 billion (\$219 billion) to the U.K. economy in 2015, with more than half generated outside the London.

"You can't just think it's a London issue," said Steve Cooper, chief executive officer of personal banking at Barclays.

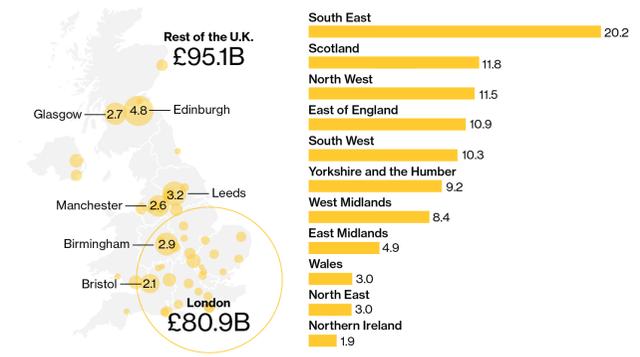
"There are issues for both London and the wider U.K. around Brexit, so managing the transition to whatever the outcome will be needs to be very well considered and very well thought through."

Northern Powerhouses Boost London's Attractiveness as Financial Center
Jobs in financial and professional services in 2015



Major towns and cities with over 5,000 in employment are shown. Source: TheCityUK

More Than Half the Contribution to the Economy Came From Outside of London
Gross value added to the economy from financial and professional services in 2015



Major towns and cities with over 5,000 in employment are shown. Source: TheCityUK



Overall, 21 British towns and cities have more than 10,000 people working in finance, according to TheCityUK. It's unclear how many jobs outside London might be affected by Brexit, which could depend on the deal Britain gets for accessing the EU single market and clearing euro-denominated derivatives.

More than a trillion dollars of Bank of America Corp's foreign exchange and derivatives deals are processed daily from a quiet business park near the small northern city of Chester.

It's the bank's largest European office outside London and one of three global hubs for booking trades alongside Singapore and the lender's home of Charlotte, North Carolina. Staff numbers have rocketed from a handful six years ago to more than a thousand.

"Clearly London is massively important to us, but so is Chester," said Stephen Miller, who moved to the city as Bank of America's global head of foreign-exchange operations.

There is a lot of work to be done outside the city of London to reassure companies after article 50 is triggered.